## Listing of Claims:

Please amend claim 1, cancel claims 2 and 10, and add new claims 18 and 19.

- 1. (Currently Presented) A method of differentiating primate embryonic stem cells into neural precursor cells, comprising the steps of:
- (a) obtaining a primate embryonic stem cell culture,
- (b) propagating the stem cells, wherein embryoid bodies are formed, and
- (c) culturing the embryoid bodies in a <u>cell culture</u> medium containing an effective amount of fibroblast growth factor 2 <u>and in the absence of other</u>

  <u>proliferation/differentiation agents</u>, wherein neural precursor cells are generated and wherein the neural precursor cells form rosette formations.

## 2. (Cancelled)

3. (Previously Presented) The method of claim 1 further comprising the step of isolating the neural precursors by enzymatic treatment wherein the treatment leads to the preferential detachment of cells in rosette formations

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relative to surrounding cells that are not in a rosette formation.

- 4. (Previously Presented) The method of claim 1 wherein the amount of fibroblast growth factor 2 in the medium of step (c) is between 10 and 20 ng/ml.
- 5. (Original) The method of claim 1 wherein the embryonic stem cell culture is a human embryonic stem cell culture.
- 6. (Original) The method of claim 1 wherein the culture of step (c) is at least 72% neural precursor cells.
- 7. (Original) The method of claim 6 wherein the percentage of neural precursor cells is at least 84%.
- 8. (Original) The method of claim 3 wherein the isolation procedure results in an enriched population of neural precursor cells, wherein at least 90% of the cells are neural precursor cells.
- 9. (Original) The method of claim 8 wherein at least 95% of the cells are neural precursor cells.

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- 10. (Cancelled)
- 11. (Original) The method of claim 1 wherein the embryonic stem cells are propagated on a feeder layer of irradiated mouse embryonic fibroblasts.
- 12. (Original) The method of claim 1 wherein step (c) comprises pelleting the stem cells, resuspending in cell medium without fibroblast growth factor 2, and culturing, wherein floating embryoid bodies develop.
- 13. (Previously Presented) The method of claim 1 wherein step (c) comprises culturing the embryoid bodies in a medium comprising insulin, transferrin, progesterone, putrescine, sodium selenite and heparin.

## 14 - 17 (Cancelled)

- 18. (New) A method of differentiating primate embryonic stem cells into neural precursor cells, comprising the steps of:
- (a) obtaining a primate embryonic stem cell culture,

- (b) propagating the stem cells, wherein embryoid bodies are formed, and
- (c) culturing the embryoid bodies in a medium consisting essentially of DMEM/F12, insulin, transferrin, progesterone, putrescine, sodium selenite, heparin and an effective amount of fibroblast growth factor 2, wherein neural precursor cells are generated and wherein the neural precursor cells form rosette formations.
- 19. (New) A method of differentiating primate embryonic stem cells into neural precursor cells, comprising the steps of:
- (a) obtaining a primate embryonic stem cell culture,
- (b) propagating the stem cells, wherein embryoid bodies are formed, and
- (c) culturing the embryoid bodies in a medium comprised of DMEM/F12, insulin, transferrin, progesterone, putrescine, sodium selenite, heparin and an effective amount of fibroblast growth factor 2 and the absence of other proliferation/differentiation agents, wherein neural precursor cells are generated and wherein the neural precursor cells form rosette formations.